

AMENDED IN ASSEMBLY APRIL 16, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 2417

Introduced by Assembly Member Mazzoni

February 20, 1998

An act to amend Sections 42238, 42238.5, 47602, 47605, 47607, and 47612 of, to add Sections 47601.2, 47601.3, 47607.1, ~~and~~ 47607.2, 47610.5, *and* 47612.5 to, and to repeal Section 47613 of, the Education Code, relating to charter schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 2417, as amended, Mazzoni. Charter schools.

(1) Existing law establishes the Charter Schools Act of 1992 for charter schools that receive public funding but are not subject to the laws generally governing school districts. Existing law sets forth the elements that must be contained in a petition for a charter school.

This bill would require all charter petitions after January 1, 1999, to state whether the charter school is a dependent charter school or an independent charter school, as defined in the bill. *The bill would designate every charter school to be a school district for the purposes of initiating or carrying on programs or activities not in conflict with the purposes for which school districts are established.*

(2) Existing law provides that no charter shall be granted that authorizes the conversion of any private school to a charter school.

This bill, in addition, would prohibit a charter school from *spending or* receiving any public funds for a pupil if the pupil is enrolled in a private school. The bill would prohibit sectarian or denominational instruction or instructional materials to be provided in *or funded by* a charter school. The bill would prohibit a charter school from paying a ~~relative~~ *parent* of a pupil for teaching that pupil, except as specified. The bill would require interactive pupil instruction, as defined, in charter schools, thereby imposing a state-mandated local program.

(3) Existing law requires the charter petition to contain a description of the manner in which an annual audit of the financial and programmatic operations of the school is to be conducted.

This bill would ~~delete~~ *modify* this provision, and, instead, would require each charter school and each district that converts all of its schools to charter schools to obtain an annual independent audit and would prescribe different financial reporting requirements for dependent and independent charter schools. The bill would authorize the authority that granted the charter to revoke the charter if the charter school failed to satisfactorily resolve material financial or compliance audit findings. The bill would require charter schools to annually submit information determined necessary by the Superintendent of Public Instruction to the authority that granted the charter so that it can comply with financial reporting requirements. These new audit and reporting requirements for existing charter schools would impose a state-mandated local program.

(4) Existing law establishes a method of funding charter schools.

This bill would change the method of funding charter schools.

(5) *Under existing law, the Superintendent of Public Instruction is required to apportion funds to charter schools.*

This bill would require the Superintendent of Public Instruction to adopt regulations by January 1, 2000, to govern attendance accounting and recordkeeping systems for charter schools.



(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 42238 of the Education Code is
2 amended to read:

3 42238. (a) For the 1984–85 fiscal year and each fiscal
4 year thereafter, the county superintendent of schools
5 shall determine a revenue limit for each school district in
6 the county pursuant to this section.

7 (b) The base revenue limit for the current fiscal year
8 shall be determined by adding to the base revenue limit
9 for the prior fiscal year the following amounts:

10 (1) The inflation adjustment specified in Section
11 42238.1.

12 (2) For the 1995–96 fiscal year, the equalization
13 adjustment specified in Section 42238.4.

14 (3) For the 1996–97 fiscal year, the equalization
15 adjustments specified in Sections 42238.41, 42238.42, and
16 42238.43.

17 (4) For the 1985–86 fiscal year, the amount received
18 per unit of average daily attendance in the 1984–85 fiscal
19 year pursuant to Section 42238.7.

20 (5) For the 1985–86, 1986–87, and 1987–88 fiscal years,
21 the amount per unit of average daily attendance received
22 in the prior fiscal year pursuant to Section 42238.8.

(c) Except for districts subject to subdivision (d), the base revenue limit computed pursuant to subdivision (b) shall be multiplied by the district average daily attendance computed pursuant to Section 42238.5.

(d) For districts for which the number of units of average daily attendance determined pursuant to Section 42238.5 is greater for the current fiscal year than for the 1982–83 fiscal year, compute the following amount, in lieu of the amount computed pursuant to subdivision (c):

(1) Multiply the base revenue limit computed pursuant to subdivision (c) by the average daily attendance computed pursuant to Section 42238.5 for the 1982–83 fiscal year.

(2) Multiply the lesser of the amount in subdivision (c) or 1.05 times the statewide average base revenue limit per unit of average daily attendance for districts of similar type for the current fiscal year by the difference between the average daily attendance computed pursuant to Section 42238.5 for the current and 1982–83 fiscal years.

(3) Add the amounts in paragraphs (1) and (2).

(e) The base revenue limit per unit of average daily attendance shall be the lesser of the following amounts:

(1) The amount determined in subdivision (b).

(2) The amount computed pursuant to Section 42238 for the prior fiscal year divided by the prior fiscal year revenue limit average daily attendance times the sum of 1.0 and twice the percentage increase in revenue limits computed pursuant to Section 42238.1 for the current fiscal year.

(f) For districts electing to compute units of average daily attendance pursuant to paragraph (2) of subdivision (a) of Section 42238.5, the amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed in subdivision (c) or (d), as appropriate.

(g) For the 1984–85 fiscal year only, the county superintendent shall reduce the total revenue limit computed in this section by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from enactment of Chapter

330 of the Statutes of 1982, offset by any increase in those contributions, as of the 1983–84 fiscal year, resulting from subsequent changes in employer contribution rates.

The reduction shall be calculated as follows:

(1) Determine the amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees’ Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1983–84 fiscal year.

(2) Subtract from the amount determined in paragraph (1) the greater of subparagraph (A) or (B):

(A) The amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees’ Retirement System employer contribution rate in effect immediately after the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1983–84 fiscal year.

(B) The actual amount of employer contributions made to the Public Employees’ Retirement System in the 1983–84 fiscal year.

(3) For purposes of this subdivision, employer contributions to the Public Employees’ Retirement System for any of the following shall be excluded from the calculation specified above:

(A) Positions supported totally by federal funds that were subject to supplanting restrictions.

(B) Positions supported by funds received pursuant to Section 42243.6.

(C) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars (\$25,000) by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from the provisions of this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

(4) For accounting purposes, the reduction made by this subdivision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

(h) The Superintendent of Public Instruction shall apportion to each school district the amount determined in this section less the sum of:

(1) The district's property tax revenue received pursuant to Chapter 3 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of the Government Code.

(4) Prior years' taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section 41603.

(6) The amount of motor vehicle license fees distributed pursuant to Section 11003.4 of the Revenue and Taxation Code.

(7) The amount, if any, received pursuant to any provision of the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), except for any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance, except for any amount received pursuant to Section 33492.15, paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(i) This section shall become operative July 1, 1984.

SEC. 2. Section 42238.5 of the Education Code is amended to read:

42238.5. (a) For purposes of Section 42238, the fiscal year average daily attendance shall be computed pursuant to paragraph (1) or (2).

(1) The second principal apportionment regular average daily attendance for either the current or prior fiscal year, whichever is greater. However, prior fiscal

1 year average daily attendance shall be adjusted for any
2 loss or gain of average daily attendance due to a
3 reorganization or transfer of territory, or, commencing in
4 the 1993–94 fiscal year, and each fiscal year thereafter, for
5 any change in average daily attendance for pupils who
6 are concurrently enrolled in adult programs and classes
7 pursuant to Section 52616.17.

8 (2) Any school district that elects to receive funding
9 pursuant to Article 4 (commencing with Section 42280)
10 shall compute its units of average daily attendance for
11 purposes of Section 42238 by subtracting the amount
12 determined in subparagraph (B) from the amount
13 determined in subparagraph (A).

14 (A) The units of average daily attendance computed
15 pursuant to paragraph (1).

16 (B) The units of average daily attendance resulting
17 from pupils attending schools funded pursuant to Article
18 4 (commencing with Section 42280).

19 (b) For purposes of this article, regular average daily
20 attendance shall be the base revenue limit average daily
21 attendance, excluding summer school average daily
22 attendance.

23 SEC. 3. Section 47601.2 is added to the Education
24 Code, to read:

25 47601.2. (a) For the purposes of this part, the
26 following definitions shall apply:

27 (1) “Dependent charter school” means a charter
28 school ~~where operating pursuant to a charter that leaves~~
29 the authority that granted the charter ~~remains fiscally~~
30 ~~liable and~~ *fiscally* responsible for the acts and omissions of
31 the charter school.

32 (2) “Independent charter school” means a charter
33 school that itself assumes all fiscal ~~liability and~~
34 responsibility for its acts and omissions, ~~and relieving~~ the
35 authority that granted the charter ~~is relieved~~ of all fiscal
36 liability and responsibility for the acts and omissions of the
37 charter school. The exclusive duties of the authority that
38 granted the charter with regard to an independent
39 charter school shall be those set forth in this part.

(b) The charter petition for all charter schools established after January 1, 1999, shall state whether the charter school shall be a dependent charter school or an independent charter school.

(c) For all charter schools established prior to January 1, 1999, *including a charter school operating as a public benefit corporation*, upon renewal of the charter, or prior to that date by mutual agreement between the charter school and the authority that granted the charter, the charter petition shall state whether the charter school is a dependent or independent charter school.

SEC. 4. Section 47601.3 is added to the Education Code, to read:

47601.3. For the purposes of this part, “distance learning” ~~shall mean~~ *means* any formal approach to learning in which the majority of the instruction occurs while the educator and the learner are not in the same physical location.

SEC. 5. Section 47602 of the Education Code is amended to read:

47602. (a) Except as provided in subdivision (b), the total number of charter schools operating in this state in any school year shall not exceed 100, with not more than 10 charter schools in any single school district. For the purposes of implementing this section, the State Board of Education shall assign a number to each charter notice it receives pursuant to subdivision (i) of Section 47605, based on the chronological order in which the notice is received.

(b) In addition to the total number of charter schools that school districts may operate in this state pursuant to subdivision (a) and the 10 charter schools that a single school district may operate pursuant to subdivision (a), a school district that maintains an enrollment of more than 600,000 pupils in the current school year may operate 12 charter schools for a maximum of 22 charter schools in these types of school districts.

(c) No charter shall be granted under this part that authorizes the conversion of any private school to a charter school. No charter school shall *spend or* receive

1 any public funds for a pupil if the pupil is enrolled in a
2 private school ~~which, in the opinion of the~~
3 ~~Superintendent of Public Instruction, is offering a~~
4 ~~comprehensive education program to that pupil or is~~
5 ~~providing a program of study that meets the~~
6 ~~requirements of compulsory education.~~ *that has filed an*
7 *affidavit pursuant to Section 33190.*

8 SEC. 6. Section 47605 of the Education Code is
9 amended to read:

10 47605. (a) A petition for the establishment of a
11 charter school within any school district may be
12 circulated by any one or more persons seeking to establish
13 the charter school. After the petition has been signed by
14 not less than 10 percent of the teachers currently
15 employed by the school district, or by not less than 50
16 percent of the teachers currently employed at one school
17 of the district, it may be submitted to the governing board
18 of the school district for review.

19 (b) No later than 30 days after receiving a petition, in
20 accordance with subdivision (a), the governing board of
21 the school district shall hold a public hearing on the
22 provisions of the charter, at which time the board shall
23 consider the level of employee and parental support for
24 the petition. Following review of the petition and the
25 public hearing, the governing board shall either grant or
26 deny the charter within 60 days of receipt of the petition,
27 provided, however, that the date may be extended by an
28 additional 30 days if both parties agree to the extension.
29 A school district governing board may grant a charter for
30 the operation of a school under this part if it determines
31 that the petition contains the number of signatures
32 required by subdivision (a), a statement of each of the
33 conditions described in subdivision (d), and descriptions
34 of all of the following:

35 (1) A description of the educational program of the
36 school, designed, among other things, to identify those
37 whom the school is attempting to educate, what it means
38 to be an “educated person” in the 21st century, and how
39 learning best occurs. The goals identified in that program

1 shall include the objective of enabling pupils to become
2 self-motivated, competent, and lifelong learners.

3 (2) The measurable pupil outcomes identified for use
4 by the charter school. “Pupil outcomes,” for purposes of
5 this part, means the extent to which all pupils of the school
6 demonstrate that they have attained the skills,
7 knowledge, and attitudes specified as goals in the school’s
8 educational program.

9 (3) The method by which pupil progress in meeting
10 those pupil outcomes is to be measured.

11 (4) The governance structure of the school, including,
12 but not limited to, the process to be followed by the school
13 to ensure parental involvement.

14 (5) The qualifications to be met by individuals to be
15 employed by the school.

16 (6) The procedures that the school will follow to
17 ensure the health and safety of pupils and staff. These
18 procedures shall include the requirement that each
19 employee of the school furnish the school with a criminal
20 record summary as described in Section 44237.

21 (7) The means by which the school will achieve a racial
22 and ethnic balance among its pupils that is reflective of
23 the general population residing within the territorial
24 jurisdiction of the school district to which the charter
25 petition is submitted.

26 (8) Admission requirements, if applicable.

27 (9) The procedures by which pupils can be suspended
28 or expelled.

29 (10) The manner by which staff members of the
30 charter schools will be covered by the State Teachers’
31 Retirement System, the Public Employees’ Retirement
32 System, or federal social security.

33 (11) The public school attendance alternatives for
34 pupils residing within the school district who choose not
35 to attend charter schools.

36 (12) A description of the rights of any employee of the
37 school district upon leaving the employment of the school
38 district to work in a charter school, and of any rights of
39 return to the school district after employment at a charter
40 school.

1 (13) The procedures to be followed by the charter
2 school and the entity granting the charter to resolve
3 disputes relating to provisions of the charter.

4 (14) *The scope and content of an annual compliance*
5 *and financial audit of the school pursuant to Section*
6 *47607.1 and the manner in which the audit shall be*
7 *conducted.*

8 (15) *The scope and content of an annual report on the*
9 *educational program of the school and the manner in*
10 *which the report is to be completed.*

11 (c) Charter schools shall meet the statewide
12 performance standards and conduct the pupil
13 assessments required pursuant to Section 60605.

14 (d) In addition to any other requirement imposed
15 under this part, a charter school shall be nonsectarian in
16 its programs, admission policies, employment practices,
17 and all other operations, shall not charge tuition, and shall
18 not discriminate against any pupil on the basis of
19 ethnicity, national origin, gender, or disability. No *charter*
20 *school may provide or fund any* sectarian or
21 denominational instruction or instructional materials
22 ~~shall be provided~~ to the pupils in a charter school.
23 Admission to a charter school shall not be determined
24 according to the place of residence of the pupil, or of his
25 or her parent or guardian, within this state, except that
26 any existing public school converting partially or entirely
27 to a charter school under this part shall adopt and
28 maintain a policy giving admission preference to pupils
29 who reside within the former attendance area of that
30 public school.

31 (e) A charter school may not pay a ~~relative~~ *parent* of
32 a pupil for teaching that pupil, unless the instruction
33 occurs in a “traditional classroom setting.” The term
34 “traditional classroom setting” shall be defined by the
35 State Board of Education, *on or before January 1, 2000.*

36 (f) Interactive pupil instruction shall be provided to all
37 pupils enrolled in a charter school. Interactive instruction
38 may include, but is not limited to, distance learning
39 technology, small group instruction, and other site
40 specific opportunities, but shall require at a minimum

1 direct teacher-to-pupil interaction. The minimum
2 amount of required interactive instruction shall be
3 defined by the State Board of Education, *on or before*
4 *January 1, 2000.*

5 (g) A charter school may not transfer ownership of any
6 *equipment or materials purchased with public funds to*
7 *any pupil or parent at any time. Consumable person at*
8 *any time, except as a completed sale for a sum of money*
9 *approximately equal to or greater than the*
10 *independently appraised value of the equipment or*
11 *materials. A charter school may not permit any*
12 *equipment or materials with a value in excess of one*
13 *hundred dollars (\$100) to remain at the residence of any*
14 *pupil, except as a temporary loan for a period not to*
15 *exceed 30 days in any 120-day period during the school*
16 *year. Reasonable amounts of consumable materials that*
17 *are used in the course of a pupil's education are not*
18 *included in this restriction. Instructional materials shall*
19 *be purchased by, and remain the property of, a charter*
20 *school.*

21 (h) No governing board of a school district shall
22 require any employee of the school district to be
23 employed in a charter school.

24 (i) No governing board of a school district shall require
25 any pupil enrolled in the school district to attend a charter
26 school.

27 (j) The governing board may require that the
28 petitioner or petitioners provide information regarding
29 the proposed operation and potential effects of the
30 school, including, but not limited to, the facilities to be
31 utilized by the school, the manner in which
32 administrative services of the school are to be provided,
33 and potential civil liability effects upon the school and
34 upon the school district.

35 (k) In reviewing petitions for the establishment of
36 charter schools within the school district, the school
37 district governing board shall give preference to petitions
38 that demonstrate the capability to provide
39 comprehensive learning experiences to pupils identified
40 by the petitioner or petitioners as academically low

1 achieving pursuant to the standards established by the
2 State Department of Education under Section 54032.

3 (l) Upon the approval of the petition by the governing
4 board of the school district, the petitioner or petitioners
5 shall provide written notice of that approval, including a
6 copy of the petition, to the State Board of Education.

7 (m) (1) If the governing board of the school district
8 denies a charter, the county superintendent of schools, at
9 the request of the petitioner or petitioners, shall select
10 and convene a review panel to review the action of the
11 governing board. The review panel shall consist of three
12 governing board members from other school districts in
13 the county and three teachers from other school districts
14 in the county unless only one school district is located in
15 the county, in which case the panel members shall be
16 selected from school districts in adjoining counties.

17 (2) If the review panel determines that the governing
18 board failed to appropriately consider the charter
19 request, or acted in an arbitrary manner in denying the
20 request, the review panel shall request the governing
21 board to reconsider the charter request. In the case of a
22 tie vote of the panel, the county superintendent of schools
23 shall vote to break the tie.

24 (3) If, upon reconsideration, the governing board
25 denies a charter, the county board of education, at the
26 request of the petitioner or petitioners, shall hold a public
27 hearing in the manner described in subdivision (b) and,
28 accordingly, may grant a charter. A charter school for
29 which a charter is granted by a county board of education
30 pursuant to this paragraph shall qualify fully as a charter
31 school for all funding and other purposes of this part.

32 SEC. 7. Section 47607 of the Education Code is
33 amended to read:

34 47607. (a) A charter may be granted pursuant to
35 Sections 47605 and 47606 for a period not to exceed five
36 years. A charter granted by a school district governing
37 board or county board of education may be granted one
38 or more subsequent renewals by that entity. Each
39 renewal shall be for a period not to exceed five years. A
40 material revision of the provisions of a charter petition

1 may be made only with the approval of the authority that
2 granted the charter.

3 (b) A charter may be revoked by the authority that
4 granted the charter under this chapter if the authority
5 finds that the charter school did any of the following:

6 (1) Committed a material violation of any of the
7 conditions, standards, or procedures set forth in the
8 charter petition.

9 (2) Failed to meet or pursue any of the pupil outcomes
10 identified in the charter petition.

11 (3) Failed to satisfactorily resolve material financial or
12 compliance audit findings, or, in the opinion of the
13 independent auditor, ~~failed or, is likely to fail, to remain~~
14 ~~solvent in the current or subsequent fiscal year in order~~
15 ~~to meet the charter school's financial obligations. will be~~
16 *unable to continue as a going concern.*

17 (4) Violated any provision of law.

18 (c) *If a charter school ceases operation for any reason,*
19 *student records of the charter school shall be delivered*
20 *immediately to the authority that granted the charter.*

21 SEC. 8. Section 47607.1 is added to the Education
22 Code, to read:

23 47607.1. Each charter school and each district that
24 converts all of its schools to charter schools shall obtain an
25 annual independent *financial and compliance* audit in
26 accordance with the following:

27 (a) Notwithstanding any other provision of law,
28 independent charter schools shall submit financial and
29 compliance audits that are consistent with the law that
30 applies to charter schools and conform to ~~the an~~ audit
31 ~~guide established by the Controller. developed by the~~
32 *Controller, in consultation with the Department of*
33 *Finance, the State Department of Education, and the*
34 *California Society of Certified Public Accountants, for the*
35 *purpose of auditing charter schools.*

36 (b) Dependent charter schools shall be audited
37 consistent with the law that applies to charter schools, as
38 part of the annual independent audit of the authority that
39 granted the charter.

(c) Districts that convert all of its schools to charter schools shall submit financial and compliance audits that are consistent with this part and conform to ~~the an audit guide established by the Controller.~~ *guide developed by the Controller, in consultation with the Department of Finance, the State Department of Education, and the California Society of Certified Public Accountants, for the purpose of auditing charter schools.*

(d) All audits of independent charter schools required by this section shall be submitted to the authority that granted the charter, with copies to the Controller, the State Department of Education and the responsible county office of education.

SEC. 9. Section 47607.2 is added to the Education Code, to read:

~~47607.2. Charter schools shall annually submit all information determined necessary by the Superintendent of Public Instruction to the authority that granted the charter so that the authority that granted the charter can comply with Chapter 6 (commencing with Section 42100) of Part 24, including the production of budgets and interim financial reports. The Superintendent of Public Instruction shall develop forms pursuant to this section that reflect the accounting structure of charter schools and require the reporting of only the most minimal information necessary for the authority that granted the charter school to conform to Chapter 6 (commencing with Section 42100) of Part 24.~~

47607.2. (a) Every charter school shall submit to the authority that granted the school's charter the minimum information that the Superintendent of Public Instruction determines is necessary to enable the authority that granted the charter to comply with the requirements of Chapter 6 (commencing with Section 42100) of Part 24, including the preparation of budgets and interim financial reports.

(b) The information required by subdivision (a) shall be submitted on forms to be developed by the Superintendent of Public Instruction, following consultation with an advisory committee consisting of

1 charter school officials and county office of education and
2 school district representatives, that require the charter
3 school to report only the most minimal information
4 necessary for the sponsoring entity to comply with the
5 requirements of Chapter 6 (commencing with Section
6 42100) of Part 24. The Superintendent of Public
7 Instruction may develop different forms for independent
8 charter schools and dependent charter schools, as defined
9 in Section 47601.2.

10 SEC. 9.5. Section 47610.5 is added to the Education
11 Code, to read:

12 47610.5. The Legislature hereby designates every
13 charter school as a school district for the purposes of
14 Section 35160 and 35160.1. The governing board of a
15 charter school or of a school district, in the case of a school
16 district that has converted all of its schools to charter
17 schools pursuant to Section 47606, may initiate and carry
18 on any program or activity, and may otherwise act in any
19 manner not in conflict with the purposes for which school
20 districts are established.

21 SEC. 10. Section 47612 of the Education Code is
22 amended to read:

23 47612. (a) The Superintendent of Public Instruction
24 shall make all of the following apportionments to each
25 charter school for each fiscal year:

26 (1) From funds appropriated to Section A of the State
27 School Fund for apportionment for that fiscal year
28 pursuant to Article 2 (commencing with Section 42238)
29 of Chapter 7 of Part 24, an amount for each unit of regular
30 average daily attendance in the charter school that is
31 equal to the sum of the amounts determined in
32 subparagraphs (A), (B), and (C) for the prior fiscal year,
33 adjusted for the inflation adjustment determined in
34 Section 42238.1.

35 (A) Divide the statewide total funded base revenue
36 limit computed pursuant to ~~subdivision~~ subdivisions (c)
37 and (d) of Section 42238 by the statewide total fiscal year
38 average daily attendance computed pursuant to
39 paragraph (1) of subdivision (a) of Section 42238.5.

1 (B) Divide the statewide total funded amount
2 computed pursuant to Article 4 (commencing with
3 Section 42280) of Chapter 7 of Part 24 by the statewide
4 total average daily attendance computed pursuant to
5 paragraph (2) of subdivision (a) of Section 42238.5.

6 (C) Divide the statewide total state funds received for
7 the programs listed below by the statewide total average
8 daily attendance determined pursuant to Section 42238.5,
9 excluding summer school average daily attendance.

10 (i) Child nutrition programs funded pursuant to
11 Sections 41352, 49536, 49548, 49550, and 49559.

12 (ii) Morgan-Hart class size reduction programs
13 funded pursuant to Chapter 6.8 (commencing with
14 Section 52080) of Part 28.

15 (iii) Economic impact aid allocations funded pursuant
16 to Chapter 1 (commencing with Section 54000) of Part 29.

17 (iv) Gifted and talented programs funded pursuant to
18 Chapter 8 (commencing with Section 52200) of Part 28.

19 (v) Instructional materials allowances funded
20 pursuant to Article 3 (commencing with Section 60240)
21 and Article 6 (commencing with Section 60310) of
22 Chapter 2 of Part 33.

23 (vi) Mentor teacher programs funded pursuant to
24 Article 4 (commencing with Section 44490) of Chapter 3
25 of Part 25.

26 (vii) Miller-Unruh basic reading programs funded
27 pursuant to Section 52859 and Chapter 2 (commencing
28 with Section 54100) of Part 29.

29 (viii) Opportunity programs funded pursuant to
30 Article 2 (commencing with Section 48630) and Article
31 2.3 (commencing with Section 48643) of Chapter 4 of Part
32 27.

33 (ix) Pupil transportation programs funded pursuant to
34 Sections 41850 to 41854, inclusive, and Chapter 2
35 (commencing with Section 38020) of Part 23.

36 (x) California professional development and school
37 development plans funded pursuant to Article 1
38 (commencing with Section 44670.1) of Chapter 3.1 of
39 Part 25.

(xi) School improvement programs funded pursuant to Chapter 6 (commencing with Section 52000) of Part 28.

(xii) Year-round ~~school's~~ *school* programs funded pursuant to Article 3 (commencing with Section 42260) of Chapter 7 of Part 24.

(2) The amount computed pursuant to paragraph (1) shall be reduced by the charter school's appropriate share of any reduction computed pursuant to Section 42238.11 for the district in which the charter school resides.

~~(3) Any charter school that is determined to be a service provider for special education services shall be entitled to its appropriate share of the state and federal funds distributed to the school district in which the charter school resides, as established in the provisions of its establishing charter or as otherwise agreed to by the charter school and the school district.~~

(3) For purposes of determining special education funding pursuant to Chapter 7.2 (commencing with Section 56836) of Part 30, charter school average daily attendance shall be included in the total average daily attendance of the special education local plan area to which the authority granting the charter is a member. In a district that has converted all of its schools to charter schools, the average daily attendance of those schools shall be included in the total average daily attendance of the special education local plan area in which those schools are geographically located.

(b) A charter school shall be deemed to be under the exclusive control of the officers of the public schools for purposes of Section 8 of Article IX of the California Constitution, with regard to the appropriation of public moneys to be apportioned to any charter school, including, but not limited to, appropriations made for the purposes of subdivisions (a) and (b).

(c) A charter school shall be deemed to be a "school district" for purposes of Section 41302.5 and Sections 8 and 8.5 of Article XVI of the California Constitution.

~~(d) Pupils are ineligible~~ *A pupil is eligible* for generating charter school apportionments if their fifth birthday occurs ~~on or before~~ *after* December 2 of the

1 school year. Pupils are also ineligible for generating
2 charter school apportionments after their 19th birthday
3 unless continuously enrolled in public schools. However,
4 to remain eligible for generating charter school
5 apportionments, pupils over 19 years of age shall be
6 making satisfactory progress towards a high school
7 diploma or the equivalent thereof. The State Board To
8 remain eligible for generating charter school
9 apportionments, a pupil over 19 years of age shall be
10 continuously enrolled in public school and make
11 satisfactory progress towards award of a high school
12 diploma. The State Board of Education shall, on or before
13 January 1, 2000, adopt regulations defining “satisfactory
14 progress.”

15 SEC. 10.5. Section 47612.5 is added to the Education
16 Code, to read:

17 47612.5. The Superintendent of Public Instruction
18 shall consult with a working group of officials from
19 charter schools that provide noninteractive instruction
20 and charter school technical assistance providers to
21 develop regulations to govern attendance accounting
22 and recordkeeping systems for charter schools that
23 provide noninteractive instruction. The superintendent
24 shall adopt these regulations on or before January 1, 2000.

25 SEC. 11. Section 47613 of the Education Code is
26 repealed.

27 SEC. 12. Notwithstanding Section 17610 of the
28 Government Code, if the Commission on State Mandates
29 determines that this act contains costs mandated by the
30 state, reimbursement to local agencies and school
31 districts for those costs shall be made pursuant to Part 7
32 (commencing with Section 17500) of Division 4 of Title
33 2 of the Government Code. If the statewide cost of the
34 claim for reimbursement does not exceed one million
35 dollars (\$1,000,000), reimbursement shall be made from
36 the State Mandates Claims Fund.

37 Notwithstanding Section 17580 of the Government
38 Code, unless otherwise specified, the provisions of this act
39 shall become operative on the same date that the act
40 takes effect pursuant to the California Constitution.

1		_____
2	CORRECTIONS	
3	Digest — Page 2.	
4	Text — Pages 8 and 19.	
5		_____
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